

Best Value

Dumfries and Galloway Council



ACCOUNTS COMMISSION 

Prepared by the Controller of Audit
January 2024

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For information on our accessibility principles, please visit: www.audit-scotland.gov.uk/accessibility.

Key facts



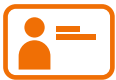
2,481

Square miles
(third largest area in Scotland)



148,790

Population



5,119

Workforce (FTE)



43

Elected members
17 Conservative, 8 Labour, 11 SNP, 4 Independent,
3 Democrat Alliance
(Conservative administration)



£38.1m

Savings required by 2027/28



£425m

Net revenue budget 2022/23



£31.5m

Capital budget 2022/23

Commission findings

- 1** The Commission welcomes and endorses the Controller of Audit's report on Best Value in Dumfries and Galloway Council.
 - 2** The Commission is pleased to see the evidence of the council leadership's commitment to Best Value. The collaborative approach to strategic planning and financial management by members and senior officers is commended. The council plan clearly sets out its vision and priorities, and the council has agreed a three-year budget, underpinned by detailed change and savings options.
 - 3** The council plan is aligned with its annual delivery plan and performance management arrangements. It is important that the council now publishes a focused suite of high-level measures to track progress against its agreed outcomes.
 - 4** The council's financial plans rely increasingly on transformation to new service models, and these will need to be delivered to meet the levels of savings required. An update of the council-wide workforce plan is also required to align with these plans. The council has a good track record of delivering savings targets, but it cannot underestimate the challenges it faces to address future funding gaps. The Commission encourages the council to continue to ensure that its reserves are used effectively and to support its transformation plans, where appropriate.
 - 5** The Commission is pleased to note that six of the seven actions from our 2018 Best Value Assurance Report have been fully addressed. However, more needs to be done to make information about council performance clear and accessible to the public. To comply with the Commission's Statutory Performance Information Direction, the council needs to publish a summary of its performance, including comparisons with other councils, on its website. The council should also ensure that this data is reported to elected members and is used as a learning opportunity to help improve its services.
 - 6** The council demonstrates an effective approach to community engagement, and the Commission encourages it to share this good practice.
 - 7** The council has ambitious plans on climate change, but it remains to be seen how achievable these are and whether there is the commitment and resources to realise them. The Commission is surprised to note that the current council plan does not include information on whether the council is still working towards its net zero target.
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Controller of Audit report

1. This report is made by the Controller of Audit to the Commission under Section 102(1) of the amended Local Government (Scotland) Act 1973.
2. This report draws the Commission's attention to the findings set out in the [2022/23 Annual Audit Report](#) (AAR) ([Appendix 1](#)), including the Best Value thematic report, on how effectively Dumfries and Galloway Council demonstrates Best Value ([Appendix 2](#)) through continuous improvement in how it delivers its strategic priorities. It reflects the new audit approach to Best Value whereby it is fully integrated with the annual audit at each council and includes detailed work each year focusing on a national theme.
3. The council's leadership demonstrates a collective commitment to Best Value through self-evaluation and support for continuous improvement. Good progress has been made in addressing the seven recommendations in the 2018 Best Value Assurance Report (2018 BVAR). Six recommendations have been fully actioned but there is more to do in relation to performance reporting.

The council's leadership needs to sustain its pace of improvement and demonstrate that its arrangements are effective in driving delivery of its new strategic outcomes.

4. Dumfries and Galloway Council approved its new Council Plan 2023-28 in February 2023, which clearly sets out the council's vision and priorities. The council engaged effectively with citizens, communities and staff when developing its vision and priorities. The council prepared an overview of consultation responses received and a note of the subsequent changes made to the draft Council Plan as a result of this feedback. Both were made available on its website when the plan was approved. The council has a strong track record in community engagement and working with local communities is part of the culture of the council. The council uses a range of approaches to involve communities in decision-making. It holds public consultations on major policy decisions, involves communities in decisions about services and targets specific, seldom heard groups.
5. Since May 2022 there have been three changes in the political leadership of the council with the council being led by the Conservative group since March 2023. The council agreed changes to its senior leadership arrangements in October 2023 and these are to become

effective on 1 April 2024. There is effective collaborative working between members and with members and officers towards the achievement of the priorities. A cross-party Budget Panel and a Leaders' Panel, both made up of the leaders, or their representatives, of all the political parties and supported by the chief executive and other senior officers, has been in place since December 2022.

The council has said it will review and report on the effectiveness of the revised structure by the end of 2025. Auditors will report on the outcome of that review in future years.

6. Performance against the Council Plan 2017-22 was monitored through the relevant service and area committees and in March 2022 the council published an 'end of term report'. It has not yet developed a focused suite of measures aligned to the strategic outcomes set out in the Council Plan 2023-28. Measures are due to be finalised in January 2024. At service level, the council has an established performance management framework in place with performance reported to elected members twice a year. These reports include the current values of Key Performance Indicators (KPIs) that have been identified alongside targets, trends and planned improvement actions. The first six-monthly progress reports on the 2023/24 service business plans were presented to service committees in November 2023. Local Government Benchmarking Framework (LGBF) data is not reported to elected members to show how the council performs over time, compares to others and how it can prioritise improvement actions more effectively and learn from others.

The council needs to prioritise agreeing its focused suite of measures for the Council Plan. Auditors will report on the effectiveness of the council's performance framework in future years.

7. Public performance reporting needs to improve. The council does not fully comply with the Accounts Commission's 2021 [Statutory Performance Information Direction](#). A high-level summary of performance against priorities is needed and tailored reporting of the council's performance over time and, in comparison to other councils, using the LGBF, should be made available. Links on the council's performance pages on its website need to be fixed, out-of-date information should be updated and service self-assessments should be more accessible.

The council has committed to a review of its website, to ensure compliance with the Statutory Performance Information Direction. It will reintroduce reporting of Local Government Benchmarking Framework data.

8. The council's overall performance, taken from national benchmarking data, shows an improving position year-on-year for 47 per cent of the service indicators. While 40 per cent of national indicators are in the top two quartiles of councils, this has fallen from 56 per cent, showing the rate of service improvement has slowed compared to other councils.

9. The council has agreed a three-year budget covering the period 2023/24–2025/26 as part of its ongoing development of a medium-term financial strategy. The processes for the development and agreement of the Council Plan 2023-28 and the council's 2023/24–2025/26 budget were closely aligned and both were agreed by the council at the same meeting in February 2023. Savings of £7.097 million need to be achieved to fill the budget gap in 2023/24, with cumulative total savings of £38.121 million required by 2027/28.

The council has agreed to update the council-wide Workforce Plan to align with the Council Plan 2023-28 and develop an Asset Management Plan for all built assets.

10. As part of the agreement of the three-year budget, elected members agreed the council's change and savings programme to replace its previous transformation programme. The previous transformation programme delivered a number of improvements in services but financial costs and benefits from the projects were not reported on.

11. The approved three-year budget includes 18 Change and Savings Options and seven Policy Investment Proposals. Each of these is linked to the Council Plan themes and strategic outcomes and the estimated costs and benefits are quantified. The Change and Savings Options are expected to reduce the council's funding gap by £2.397 million in 2023/24, £7.446 million in 2024/25 and £16.421 million in 2025/26. The remainder of the council's funding gap in 2023/24 will be met through the use of service concessions fiscal flexibilities of £3.7 million and revenue flexibilities of £1 million.

Delivery of the change and savings programme will be key to maintaining future financial sustainability and supporting priority services.

12. The Council Plan is based upon a core set of principles which include addressing both inequalities and climate change. The council has declared a climate emergency and has a climate change strategic plan. But the Council Plan is silent on whether the council is still working towards its target of achieving net zero carbon emissions in Dumfries and Galloway by 2025.

The council should clearly set out its net zero emissions target and how it plans to achieve it. It has committed to reporting recommendations for future targets for net zero emissions to the Cross-Party Working Group on Climate Change by March 2024.

13. I look forward to seeing the progress the council makes in taking forward the recommendations from the auditor outlined in [Appendix 1](#) of the AAR in due course.

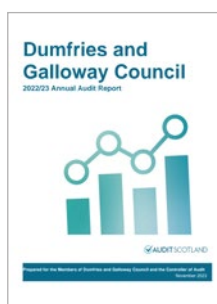
Appendix 1.

2022/23 Annual Audit Report

This report summarises the findings from the 2022/23 annual audit of Dumfries and Galloway Council.

This Annual Audit Report comprises:

- significant matters arising from the audit of the council's annual accounts
- conclusions on the council's performance in meeting its Best Value duties
- conclusions on the following wider scope areas that frame public audit as set out in the Code of Audit Practice 2021:
 - Financial management
 - Financial sustainability
 - Vision, leadership and governance
 - Use of resources to improve outcomes.



2022/23 Annual Audit Report Dumfries and Galloway Council November 2023



Appendix 2.

Best Value

The Local Government in Scotland Act 2003 introduced a statutory framework for Best Value for local authorities. The Best Value duties set out in the Act are:

- to make arrangements to secure continuous improvement in performance (while maintaining an appropriate balance between quality and cost); and, in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness, the equal opportunities requirement and to contribute to the achievement of sustainable development.
- to achieve break-even trading accounts, subject to mandatory disclosure
- to observe proper accounting practices
- to make arrangements for the reporting to the public of the outcome of the performance of functions.

Best Value

Dumfries and Galloway Council



Audit Scotland, 4th Floor, 102 West Port, Edinburgh EH3 9DN
Phone: 0131 625 1500 Email: info@audit-scotland.gov.uk
www.audit-scotland.gov.uk

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